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**UNITED STATES DISTRICT COURT FOR THE  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN JOSE DIVISION**

**UNITED STATES OF AMERICA,**

**Plaintiff,**

**v.**

**JESUS MARQUEZ, OLGA MARQUEZ, RAMON  
 MARQUEZ, JUANITA MARQUEZ, TAQUERIA  
 LOS PRIMOS, TAQUERIA LOS PRIMOS NO. 2,  
 LUIS GALINDO, MARTHA GALINDO, BANK  
 OF AMERICA, N.A., STATE OF CALIFORNIA  
 FRANCHISE TAX BOARD, STATE OF  
 CALIFORNIA EMPLOYMENT DEVELOPMENT  
 DEPARTMENT, STATE OF CALIFORNIA  
 BOARD OF EQUALIZATION, STATE OF  
 CALIFORNIA DEPARTMENT OF LABOR,  
 SAN MATEO COUNTY TAX COLLECTOR,**

**Defendants.**

**No. C-08-0891-MEJ**

**UPDATED JOINT CASE  
 MANAGEMENT STATEMENT**

**DATE: FEBRUARY 12, 2009  
 TIME: 10:00 A.M.**

**ORDER CONTINUING CMC**

The parties to the above-entitled action jointly submit this updated Case Management Statement.

This is an action to reduce to judgment certain tax assessments made against defendants Jesus and Olga Marquez, Ramon and Juanita Marquez, Taqueria Los Primos, and Taqueria Los Primos No. 2; and to foreclose certain federal tax liens against the real property located at 791 South Johnston Street, Half Moon Bay, California 94019.

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Jesus and Ramon Marquez are brothers and partners in Taqueria Los Primos, 85 North B Street, San Mateo, California 94401, and Taqueria Los Primos No. 2, 376 N. Ellsworth Avenue, San Mateo, California 94401. Both partnerships have outstanding employment tax liabilities. Also, both partnerships continue to accrue FICA and withholding tax liabilities (Form 941) and federal unemployment tax liabilities (Form 940). They are also delinquent in filing some of their Employer's Quarterly Federal Tax Returns (Form 941), Employer's Annual Federal Unemployment Tax Returns (Forms 940), and U.S. Return of Partnership Income (Form 1065).

Jesus and Olga Marquez and Ramon and Juanita Marquez have outstanding federal income tax liabilities. Both couples file their federal income tax returns jointly.

Notices of Federal Tax Liens have been filed for the tax periods as set forth in the complaint. Additionally, Defendants Employment Development Department, Franchise Tax Board, and State Board of Equalization have recorded tax liens against the subject real property.

The real property that is the subject of the foreclosure action, 791 South Johnston Street, Half Moon Bay, California 94019, is the residence of Jesus and Olga Marquez as well as the residence of Ramon and Juanita Marquez. Jesus and Olga hold a forty-five percent interest in the residence as joint tenants with each other. Ramon and Juanita Marquez hold a forty-five percent interest in the residence as joint tenants with each other. The remaining ten percent is allegedly held by Luis and Martha Galindo as joint tenants with each other. The couples' 45%, 45% and 10% interests are held as tenants in common. The Galindos do not reside at the foreclosure property, nor do they owe any federal taxes. The parties are informed that the Galindos were on title solely to assist the Marquez couples in obtaining financing and do not claim an interest in the property.

Defendants Jesus and Olga Marquez, Ramon and Juanita Marquez, Taqueria Los Primos, and Taqueria Los Primos No. 2 do not contest the tax liabilities. They have attempted to obtain a home equity line of credit secured by the real property to pay off the tax debts, but they have been unsuccessful. The Marquezes now wish to attempt to sell the home themselves because they are likely to receive more from a private sale than a foreclosure. The creditors are willing to allow them a reasonable time to sell the property, but expect the Marquezes to proceed expeditiously.

1 The Marquezes recently met with Coldwell Banker and are in the process of entering into  
 2 a listing agreement with Coldwell Banker. The proposed listing agreement would be for 120  
 3 days. The market price suggested by Coldwell Banker appears reasonable to the parties. The  
 4 Marquezes will provide a copy of the listing agreement to the other parties once it has been  
 5 executed.

6 The parties suggest that the matter be set for a further case management conference on  
 7 June 18, 2009, to report back to the Court on the Marquezes' efforts to sell the property.

8 Once the property is sold, the only real issue is the priority of lien holders with respect to  
 9 the property. It is anticipated that the lien holders will be able to agree to their respective  
 10 priorities.

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 12 JOSEPH P. RUSSONIELLO  
 13 United States Attorney

14 Dated: February 5, 2009

/s/ David L. Denier  
 DAVID L. DENIER  
 Assistant United States Attorney  
 Tax Division  
 Attorneys for United States of America

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 17  
 18 Dated: February 5, 2009

/s/ Cindy L. Ho  
 CINDY L. HO  
 Attorney for Defendants Jesus Marquez,  
 Olga Marquez, Ramon Marquez, Juanita  
 Marquez, Luis Galindo, Martha Galindo,  
 Taqueria Los Primos and Taqueria Los  
 Primos No. 2

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 20  
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 22 MICHAEL MURPHY  
 23 County Counsel

24 Dated: February 5, 2009

/s/ Eugene Whitlock  
 EUGENE WHITLOCK  
 Deputy County Counsel  
 Attorney for County of San Mateo Tax  
 Collector

EDMUND G. BROWN JR.  
Attorney General of the State of California

Dated: February 5, 2009

/s/ Karen W. Yiu  
KAREN W. YIU  
Deputy Attorney General  
Attorneys for Defendants Franchise Tax  
Board, Employment Development  
Department, and State Board of Equalization

Good cause appearing, the Court hereby CONTINUES the CMC to June 18, 2009 at  
10:00 a.m. in Courtroom B.

Dated: February 5, 2009

